

Message Text

SECRET

PAGE 01 LISBON 04570 211604Z
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 ICA-11 AID-05 EB-08 NSC-05
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 CIAE-00 INR-10
NSAE-00 XMB-02 /080 W
-----012429 211811Z /50

R 211353Z JUN 78
FM AMEMBASSY LISBON
TO SECSTATE WASHDC 6092
INFO AMEMBASSY BONN

S E C R E T LISBON 4570

DEPT PASS TREASURY FOR SYVRUD

E.O. 11652: XGDS-3
TAGS: EFIN ECON PO
SUBJ: PRIVATE FOREIGN COMMERCIAL BANK CREDITS TO PORTUGAL

1. BANK OF PORTUGAL (BOP) OFFICIAL PROVIDED THE FOLLOWING INFORMATION ON RECENT GOP EFFORTS TO OBTAIN SIGNIFICANT MEDIUM AND LONGER-TERM CREDITS FROM PRIVATE FOREIGN BANKS. BOP HAS CONCLUDED NEGOTIATIONS WITH THE GERMAN BANKS. THE LATTER WILL PROVIDE, IN ADDITION TO THEIR \$200 MILLION UNDER THE COORDINATED INTERNATIONAL LENDING PROGRAM OF \$750 MILLION, A TOTAL CREDIT OF \$150 MILLION FOR SEVEN YEARS AT 1 PERCENT ABOVE LIBOR. AT LEAST ONE GERMAN BANK REPORTEDLY PLANS TO EXTEND ADDITIONAL CREDITS, PERHAPS IN CONJUNCTION WITH THE CONSORTIUM BEING ORGANIZED BY AMERICAN BANKS. BOP HAS NOT CONCLUDED NEGOTIATIONS WITH THE U.S. BANKERS. THE LATTER ALLEGEDLY ARE HAVING DIFFICULTY MATCHING THE INTEREST RATE OFFERED BY THE GERMANS. BOP OFFICIALS ARE RELATIVELY OPTIMISTIC, NEVERTHELESS, THAT NEGOTIATIONS WILL BE CONCLUDED WITHIN THE NEXT TWO WEEKS. THE AMOUNT OF THE LOAN HAS NOT BEEN FIRMLY FIXED, BUT BOP EXPECTS THAT IT WILL BE SOMEWHERE BETWEEN \$150-\$250 MILLION.

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2. BOP HAS PROVIDED FOLLOWING DATA ON ITS INTERNATIONAL RESERVES AS OF MAY 31, 1978: FOREIGN EXCHANGE HOLDINGS, \$268.7 MILLION; GOLD HOLDINGS OF 702.58 TONS. DURING THE FIRST TWO WEEKS OF JUNE, BOP LOST \$70.7 MILLION IN ITS EXCHANGE MARKET OPERATIONS.
BLOOMFIELD

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CREDIT, COMMERCIAL BANKS, FOREIGN INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 21 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780636/aaaabezb.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2b87b784-c288-dd11-92da-001cc4696bcc
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Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
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TAGS: EFIN, ECON, PO
To: STATE
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